THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU): (a) to (c) The News item entitled 'Jyotsna Holdings Case' that appeared in the *Statesman* of 27th December, 1989 relates to import and supply of pipes to Oil and Natural Gas Commission and does not relate to import of Phosphates by MMTC. MMTC has been importing Rock Phosphate from Morocco, negotiations for which are conducted annualiy by it directly with the supplier, viz., Office Cherifien des Phosphates (OCP) Morocco. MMTC has not appointed any agent for such imports nor did it have any information about the appointment of any agent|correspondent till 14th July, 1987 when M|s. OCP informed it about the appointment of one Shri Satinder Bhalla as correspondent on 14th July, 1987, whose mission is to ensure liaison between M|s. OCP's headquarters in Casablanca and all their Indian buyers. Payments towards import of Rock Phosphate was being made by MMTC to the supplier directly through normal banking channels and no payments to any one, by way of commission, have been made by MMTC.

According to the information collected by MMTC from M|s. OCP and Shri Satinder Bhalla, Shri Bhalla is being paid a remuneration of Rs. 40,000|- per month by M|s. OCP which is transferred to his bank account in New Delhi apart from reimbursement of expenses like touring and travelling, telephone, telex and stationery, entertainment, petrol etc.

Merger of regional rural banks with sponsor banks

*254. SHRI J. P. JAVALI: Will the Minister of FINANCE be pleased to state:

(a) whether there is a proposal to merge Regional Rural Banks with their sponsor banks; and

(b) if so, what are the reasons therefor and the details thereof?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b) Based on the recommendations of the Agricultural Credit Review Committee set up by the Reserve Bank in 1986 under the chairmanship of Prof. A. M. Khusro for undertaking a comprehensive review of the agricultural credit system in the country, the Reserve Bank has recommended the merger of Regional Rural Banks (RRBs) with the sponsor banks concerned to maintain credit delivery system for rural sector on healthy lines. According to the Committee, there has been serious erosion in the profitability of RRBs due to various reasons and merger will improve the viability of these branches.

Procedure for disposal of trainee products under carpet weaving training scheme

*255. SHRI SYED SIBTEY RAZI: Will the Minister of TEXTILES be pleased to state:

(a) what procedure has been prescribed for disposal of trainee products in the Carpet Weaving Training Scheme undertaken by the office of Development Commissioner (Handicrafts);

(b) whether it is a fact that the procedure has mostly been violated and sales have been affected even before final rates have been worked out and also collection of payments delayed inordinately without applying the penal clause;

(c) whether it is also a fact that sales tax was not collected on such sales leading to a situation where the department has now to pay the tax; and

(d) if so, what corrective measures have been taken or are proposed to be taken to fix responsibility on the concerned officials?

THE MINISTER OF TEXTILES WITH ADDITIONAL CHARGE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SHARAD YADAV): (a) The trainees products in the Carpet Weaving Training Scheme undertaken by the Office of the Develop-

ment Commissioner (Handicrafts) are required to be disposed of through the following channels in order of priority:

(i) Handicrafts & Handlooms Export Corporation of India Ltd.

OR

Central Cottage Industries Corporation of India Ltd.

OR

State Govt. Emporia.

(ii) Registered Organisations and Firms/Bodies etc.

(iii) General Public, and

(iv) Public Auction.

(b) No, Sir. The procedure has not been violated. There have been one or two instances of sale before fixation of price only to Public Sector Corporations on the condition that the latter would pay whatever price is subsequently fixed by the Carpet Disposal Committee set up by the Govt. The Corporations in all cases have paid the price fixed by the Govt. hence the panel clause has not been invoked in any case.

(c) No, Sir. Sales tax was collected but in some cases the amount had not been shown as a separate head. This has since been rectified and settled in consultation with the Sales Tax Authorities and the Office of the Development Commissioner (Handicrafts) has been directed to pay Rs. 4.86 lakhs against the years 1983-84 and 1984-85 as arrears dues along with interest.

(d) The omission is not showing the Sales Tax and the Cost Price of the Carpets in two distinct heads was on account of the fact that the T.R.(V) receipts against which sales were effected, did not have a separate Sales Tax column. On being advised by the Sales Tax Authorities, proper cash memos instead of T.R.(V) forms are being issued w.e.f. 1985-86 for sale of trainees carpets. Hence no action is required to be taken.

Number of branches of the Nationalised Banks in rural areas

*256. KUMARI ALIA:

SHRI KAPIL VERMA:

Will the Minister of FINANCE be pleased to state:

(a) what is the number of branches of the nationalised banks in rural areas at the beginning of the current Plan period and at present; and

(b) what steps are being taken to expand services of the nationalised banks in the rural sector?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b) The number of branches of 28 Public Sector Banks in rural areas as on 1-4-1985 (beginning of the current plan period) was 29,837. The number of such branches as on 31-12-1989 (latest figures available) was 33,640. The current Branch Licensing Policy (1985—90) will come to an end on 31-3-1990. The new Branch Licensing Policy is being finalised by the Reserve Bank of India.

Banking facilities at grassroot level in rural areas

*257. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to provide banking facilities at grassroot level in the rural areas in order to help the village and small scale industry;

(b) if so, what are the details thereof; and

(c) what steps are being proposed to be taken to educate the rural self-employed people about the availability of these facilities?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) to (c) There is an extensive net work of banking facilities for catering to the credit needs of rural borrowers. As at